

Check appropriate box.

☐ This is an original return.

☐ This is an amended return.

1. Company Name		▶ 2. Federal Employer ID Number (FEIN) or TR Number  ▶ 3. Insurer Type (Check one)  <input type="checkbox"/> Foreign <input type="checkbox"/> Domestic
Address (No., Street)		
City, State, ZIP Code		
Contact Person	Contact Person Telephone Number	▶ 4. State of Incorporation (use 2 letter abbreviation)

31. Enter the amount from line 30 ..... 31. ....

[illegible]

**52. Total Payments.** Add lines 48 through 51 ▶ **52.**

SIGNATURE AND PREPARER AUTHORIZATION			
<b>TAXPAYER'S DECLARATION</b> <i>I declare under penalty of perjury that this return is true and correct to the best of my knowledge.</i>		<b>PREPARER'S DECLARATION</b> <i>I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</i>	
I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No		Preparer's Signature _____ Date _____	
Taxpayer's Signature _____		Date _____	
Title _____		Business Address and Telephone _____	

# Instructions for Form 1366, Insurance Company Annual Return for SBT and Retaliatory Tax

## General Information

❶ The effective tax rate for the 2005 tax year is 1.0735%.

*This return is due March 1, 2006.*

### Who Must File

All insurance companies must file this return.

If apportioned or allocated gross receipts are less than \$350,000, then it is not necessary to complete the SBT portion of this return. Foreign or alien insurers whose gross receipts are less than \$350,000 must still complete the retaliatory section of the return on lines 32-46.

All insurers, domestic and foreign, must submit copies of *Schedule T* and the *Michigan Business Page* when filing this return.

### Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer's authorized agent. If someone else has prepared the return, the preparer must also sign it and give his or her business address and telephone number in the space provided.

### Rounding Figures

Report all amounts in whole dollars. Round amounts of 50 cents or more up. Carry all percentages to six decimal places. Do not round percentages. For example, 24.154256 percent becomes 24.1542 percent (.241542).

### Filing Estimated Tax Returns

Estimates must be paid in any year that the annual tax liability is expected to be more than \$600. Estimates must equal at least 85 percent of the current year tax liability, or equal the tax liability for the previous year if the tax was less than \$20,000, provided these payments are made in four timely equal payments. If they are not, the taxpayer will be charged penalty and interest. Quarterly estimate payments are due on April 30, July 31, October 31 and January 31.

### Computing Penalty and Interest

Penalty is 5% of tax due, for the first two months. Penalty increases by an additional 5% per month, or fraction thereof, after the second month, to a maximum of 25%. This applies to annual and estimated returns.

The interest rate is adjusted by Treasury January 1 and July 1 of each year, to 1 percent above the prime rate. For a complete list of interest rates, see Revenue Administrative Bulletin (RAB) 2005-4 on Treasury's Web site at [www.michigan.gov/treasury](http://www.michigan.gov/treasury).

### How to Get Forms

If additional forms are needed, visit Treasury's Web site at [www.michigan.gov/treasury](http://www.michigan.gov/treasury).

### Contacting Treasury

For general questions, call the Customer Contact Division, Single Business Tax Unit, at (517) 636-4700.

## Line-By-Line Instructions

*Lines not listed are explained on the form.*

**Line 2:** Enter the Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) number. If the taxpayer doesn't have an account number, one will be assigned. This number must appear on all documents sent to Treasury.

**Line 3:** Check the box to indicate the company's status. Alien insurance companies check "foreign," unless the port of entry is Michigan, in which case the company is considered "domestic" for the filing of this return.

## Adjusted Receipts

**Line 5:** Enter the amount of total company adjusted receipts for the period.

### Gross Receipts Checklist

1. Rental and royalty receipts, unless received from an affiliated insurance company or an insurance agent for the company.
2. Gross direct premiums received.
3. Receipts from administrative services only (ASO) contracts with a person who is not an affiliated insurance company or an affiliated nonprofit corporation.
4. Receipts from a business activity other than the business of insurance.
5. Charges attributable to premiums paid on a deferred or installment basis.
6. Servicing carrier fees received from the Michigan auto insurance placement facility.

### Excluded Receipts

1. Receipts from interest, dividends or proceeds from the sale of assets.
2. Receipts on the sale of annuities.
3. Receipts on all reinsurance transactions.
4. Any income which is a flow-through from a partnership or other entity whose business activities would be taxable under the Single Business Tax Act.

### Apportionment

**Line 6:** Enter Michigan gross direct premiums received excluding annuity considerations and reinsurance assumed.

**Line 7:** Enter total gross direct premiums received everywhere excluding annuity considerations and reinsurance assumed.

### Disability Insurance Exemption

**Line 12:** Subtract \$180,000,000 from the amount entered on line 11. If the result is less than zero, enter zero on line 12.

### Credits

**Line 17:** Enter the amounts paid to the listed facilities or associations from 1/1/2004 to 12/31/2004, the year immediately preceding the 2005 tax year, including special assessments. Net amounts paid and refunds received during the 2004 tax year for the same facility. If refunds received exceed the amount paid in the year for the same facility, enter zero.

**Line 19:** This year's credit percentage is 100%. Carry the amount on line 18 here.

**Line 20:** Enter the amount of Michigan regulatory fees paid in 2005 (under MCL 500.224). Multiply this amount by 50 percent and enter the result on line 20.

**Line 22:** Subtract line 21 from line 16. If line 21 is greater than line 16, enter zero. The credit on line 21 may not be carried forward to another taxable year.

**Line 23, Community Foundation Credit:** To be eligible for this credit, the taxpayer must have donated to a Michigan foundation that has been certified by the Michigan Department of Treasury. For a complete list of certified foundations, see page 21. Enter the code for the foundation contributed to. The credit will not be received if the proper code is not entered. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16, or \$5,000.

**Line 25, Homeless Shelter/Food Bank Credit:** A partial credit is allowed when making a cash donation to a qualifying shelter for homeless persons, food kitchen, food bank or other entity whose primary purpose is to provide overnight accommodations, food or meals to indigent persons. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16 or \$5,000. For more information, request *Revenue Administrative Bulletin 1992-10*.

**Line 27, Public Contribution Credit (Public Colleges and Libraries):** A partial credit is allowed when donating during the taxable year to institutions of higher learning located in Michigan, Michigan public libraries, the Michigan colleges foundation, public broadcasting stations located in Michigan and any nonprofit corporation, fund, foundation, trust or association organized and operated exclusively for the benefit of institutions of higher learning located in Michigan. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 26, or \$5,000.

**Line 29, Nonrefundable Credits:** If claiming other nonrefundable credits, complete Form C-8000MC, *SBT Miscellaneous Credits*, enter the amount from line 28 of this form on C-8000MC, line 17. Enter the amount from Form C-8000MC, line 82, here. Attach Form C-8000MC to the return.

**Note:** Form C-8000MC is historically filed as a schedule with Form C-8000, *SBT Annual Return*. The line references on Form C-8000MC will not apply to this return.

## Retaliatory Instructions

**(For foreign and alien insurers only; domestic insurers skip lines 31-46.)**

Include with the return a copy of the State of Incorporation tax form on which Michigan premiums were reported.

**Do not mail this return with the Michigan annual financial statement**, and do not send the annual statement filing fee with this return. The taxpayer will be billed separately for the annual statement filing fee by the Michigan Insurance Bureau.

Enter all items that are required of a Michigan insurance company. In some instances, there will be taxes and obligations imposed in other states for which Michigan has no corresponding requirement. Because of the manner of this calculation, completing these items on a Michigan basis may be difficult. Nonetheless, difficulty of calculation does not excuse a foreign insurer from paying to Michigan the same type of obligation a similar Michigan insurer is required to pay in the company's state of domicile.

Do not include the following Michigan assessments, or comparable assessments in the company's state of incorporation, in the retaliatory calculation:

- The Michigan Workers' Compensation Placement Facility
- The Michigan Basic Property Insurance Association
- The Catastrophic Claims Association
- The Michigan Auto Insurance Placement Facility
- The Michigan Life and Health Insurance Guaranty Association
- The Property and Casualty Guaranty Association.

California insurers must include Bureau of Fraudulent Claims assessments. New York domiciled companies **must file** and pay a tentative retaliatory tax to Michigan by the annual due date, March 1, 2006. An **amended** return must be filed 30 days after the actual CT33 return is filed with New York. Do not submit a photocopy of the actual CT33 return. We cannot process them and will return them. Transfer the CT33 numbers onto the amended Form 1366.

**Lines 32 - 47.** In the Michigan column, enter actual payments made to Michigan. In the State of Incorporation column, enter the payments that would have been payable by a similar Michigan company doing business in the company's home state.

**Line 32:** Enter the tax a Michigan company would pay in the state of incorporation for the company's Michigan business. Attach a copy of the state's tax form on which Michigan premiums were reported.

**Lines 40 - 44:** Attach proof of payment for any items listed in the Michigan column. Itemize any other assessments not listed. Attach a separate list if necessary.

**Line 46:** Subtract line 45, column B from line 45, column A. This amount can't be less than zero. If line 45, column B is a negative number, add column A to the negative number in column B. This will increase the retaliatory amount reported.

## Payments

**Line 49:** Enter the total tax paid with the quarterly tax returns.

**Line 50:** Enter any tentative payment of estimated tax made with a request for more time to file the return.

**Line 51, Refundable Credits.** If claiming a Michigan Economic Growth Authority (MEGA) Employment Tax Credit, a Workers' Disability Supplemental Benefit (WDSB) Credit or an Apprenticeship Credit, see Form C-8000MC, *SBT Miscellaneous Credits*. **Enter the amount from Form C-8000MC, line 14, here.** Attach Form C-8000MC to the return.

**Line 55 and 56, Penalty and Interest.** See "Computing Penalty and Interest" under General Information.

## Mailing instructions

Mail the return to:

With payment:

**Michigan Department of Treasury  
Dept. 77229  
Detroit, MI 48277-0229**

Without payment:

**Michigan Department of Treasury  
P.O. Box 30059  
Lansing, MI 48909**

Make checks payable to "State of Michigan." Write the FEIN or TR number on the remittance.